## HealthLine



A Publication of the Department of Personnel & Administration

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## **Resolutions**You Can Keep

It's that time of year again—resolution season. But perhaps you're already worried about going back on your good intentions. Don't despair. Instead, think about the kind of resolutions you have made. Have you set yourself up with an impossible goal? Remember, bad habits are hard to break and good habits are hard to start. You need to make *realistic* resolutions that start small. Consider the following as you re-think your goals for this year.

Maintain, don't gain—Rather than trying to lose five or 10 pounds, simply try to weigh the same next December that you do this January. This can be a significant goal since weight gain for most people is represented by just a pound or two a year. In five or 10 years that adds up.



- Walk every day—Just a small amount, for example 30 minutes a day, broken up into three or four smaller walks, can have a significant impact on your body as well as your mind. Start small and work your way up to longer walks. Walk to your colleague's office, walk the dog, play outside with the kids, take the long route, hoof it to the coffee shop, walk at lunch, take the stairs—anything, just start walking every day.
- Stop using tobacco—This can be a big step, but maybe this is the year to give it a try. Quitting smoking can reduce the risk of coronary heart disease and stroke, as well as various kinds of cancer: lung, esophagus, throat, mouth, bladder, kidney and pancreas. Find information on resources to help you quit in the June 2008 HealthLine, "Time to Quit Smoking," at www.colorado.gov/dpa/dhr/pubs/docs/benefits/healthline/healthline0608.pdf.

### Self-Funded Plan: Healthy Frontiers Coming in February

—Healthier habits and better health are just around the corner.

Very soon employees in the self-funded options for medical insurance (the OA options, administered by Great-West Healthcare, now a part of CIGNA) will be able to sign up for **Healthy Frontiers**, a fun and interactive benefit that helps you take charge of your health and well-being.

This program gives you access to healthy living programs, fun challenges, interactive online seminars, online games, and even a personal health coach for those that qualify.

### It all starts when you complete the Health Assessment at MyGreatWest.com.

1. If you are able, contact your physician to get essential health information that you will need to complete the assessment, such as blood cholesterol levels, glucose levels and blood pressure. See "Know Your Numbers" in the **December issue of** *HealthLine* for more information on these tests.

- 2. Sign in to MyGreatWest.com and follow the instructions to complete your assessment (it takes about 20 minutes). Spouses and adult dependents can take the assessment too. If you've never used MyGreatWest.com, you'll need to create a username and password to log into the site.
- 3. The results of your assessment show your current health status while also providing you with steps you can take for a healthier future.

Know that your information is safe and private on Great-West's secure Web site. Your individual information *will not* be shared with your employer, the State of Colorado. Only aggregate information will be given to the State so plans can be better designed around our unique needs.

Employees in the self-funded medical plan should look for more information about Healthy Frontiers via mail and e-mail.

# **457 Plan/State DC Plan-**Proposed Transfer to PERA



## Retirement Corner

On January 12, 2009, legislation was introduced in the Colorado Senate (SB09-066) to transfer administration of the 457 Deferred Compensation Supplemental Retirement Plan and the Public Officials' and Employees' Defined Contribution Plan (State DC), from the Department of Personnel & Administration (DPA) to the Public Employees Retirement Association (PERA). If passed and signed into law, this transfer would take effect July 1, 2009.

#### **Impact to Plan Participants**

For the 457 Plan, Great-West Retirement Services will remain the service provider, and the fund offerings for the Plan will remain unchanged, including the self-directed brokerage option and the Stable Value Fund. Under the proposed legislation, 401(a) Match Plan participant accounts will be transferred to the PERA 401(k) Plan. Under PERA's administration, the 457 Plan will undergo an extensive evaluation during 2009–2010, and if changes are planned, participants will receive advance information before any changes are made.

For the State DC Plan, the legislation would merge it with the PERA Defined Contribution Plan (PERA DC). State DC accounts would transfer to PERA and funds mapped to similar funds and asset classes offered in the PERA DC Plan. State DC participants will receive a series of letters from DPA with information regarding the legislation and the transition.

#### History of the Plans' Administration

The administration of the 457 Plan has been a cooperative effort between the Department of Personnel & Administration (DPA) and the 457 Deferred Compensation Committee (Committee) since 1981 (C.R.S. 24-52-101 et seq.). Since 2000, when Great-West was contracted as the Plan's record keeper, enrollment has almost doubled. Much of that growth was due to the employer match provided in 2001 through May 2004. Additional marketing efforts, specifically to the four-year colleges, and the admittance of 13 school districts, have also contributed to growth.

Since January 2006, new employees have been able to choose among three options for their basic retirement plan: State DC,

PERA DC or PERA Defined Benefit (PERA DB). As with the 457 Plan, DPA and the 457 Committee have overseen the administration of the State DC Plan with approximately 1500 new employees. Over the last three years, many new employees have complained that this choice is confusing and the amount of information is overwhelming, especially when coupled with the benefits information for new hires. This legislation proposes to reduce that confusion by offering one defined contribution plan and a defined benefit plan as employees' options for retirement.

#### Why Transfer Administration?

With such growth and change, DPA and the Committee have recognized that the Department has insufficient resources to properly administer these plans. Therefore, in early 2008 discussions began between the Department and the Committee to look at several options to address the best method of administering the plans in the best interest of the participants and their beneficiaries. It was determined that the most efficient and cost effective option would be to transfer administration to PERA, as that organization has the necessary infrastructure and resources to administer these growing plans.

Should this legislation pass, participants in these plans will be notified and additional information on the transfer will be provided.

#### For Additional Information

- Track SB09-066 at www.leg.state.co.us—click on "Bills" under "Senate—Current Regular Session."
- State DC and 457 participants—Visit the 457 Plan website at www.colorado457.com to view the 457 Committee Meeting minutes from 2008 regarding discussions of the options and decisions made by the Committee and DPA.
- Information will also be posted on the Employee Benefits Web site (www.colorado.gov/dpa/dhr/benefits), particularly regarding the passage of the bill and the process of a transition to PERA.
- Questions and comments can be sent to Suzanne Kubec, Plan Administrator, at suzanne.kubec@state.co.us.



## **Health Insurance** Terminology



Now that the second half of the FY09 Plan Year is under way, it's time to review important insurance terms as way of understanding what may occur with health expenses for the remainder of the year.

**Deductible**—The amount an individual must pay for covered health care expenses before insurance begins to cover costs.

Deductibles apply only to services covered by the plan. The Open Access 750, Open Access 1500, Open Access 3000, and Open Access-H options have individual, in-network deductibles of \$750, \$1500, \$3000 and \$1500, respectively. All have varying in-network family deductibles, as well as out-of-network deductibles for individuals and families. Deductibles in health insurance work the same as deductibles in auto or home owner's insurance. Remember that this year, the OA options cover allowable preventive care at 90%, with a 10% co-insurance (see below,) even if the deductible has not been met.

**Co-Insurance**—A percentage that the individual is required to pay after a deductible is met. For example, a plan might require 20% co-insurance, meaning the insurance plan pays 80%, while the individual pays 20%.

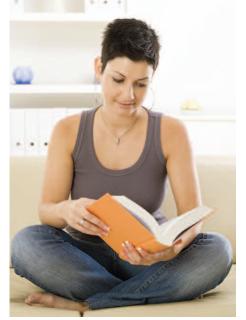
For example, if you have a deductible of \$1500, with 80-20 coinsurance, and you received covered services in the amount of \$5000, you would pay the first \$1500 plus 20% of the remaining \$3500, or \$700, and the insurance plan would pay \$2800.

**Co-Pay**—A flat fee that is paid for health care services, typically at the time service is provided. Co-payments are specific amounts, which is convenient for planning purposes and usually means less money out of your pocket when you visit the doctor or hospital, but you may pay a higher monthly premium in exchange for this convenience.

**Maximum out-of-pocket expenses**—The maximum amount of money a person will pay for covered health claims, which is in addition to premium payments. These maximums are usually the sum of deductibles and co-insurance payments or the sum of all co-payments. For example, the OA-1500 plan has an individual, in-network deductible of \$1500 and a \$6000 individual, in-network out-of-pocket maximum. After the deductible is met, the

plan pays 80% of costs, while the individual pays 20%. The \$1500 deductible plus the claims for which a person pays 20% of the cost both count towards out-of-pocket expenses. When \$6000 is reached, the plan then pays 100% of costs of covered services. Note that the plan does not pay for non-covered services.

Preventive Care—Services and care that is rendered to prevent future health problems for a member who does not exhibit any current symptoms. Preventive medicine emphasizes early detection and selfcare. Examples of preventive care are annual physical exams, immunizations and certain tests such as a lipid profile (a blood test measuring total blood cholesterol, HDL cholesterol, LDL cholesterol and triglycerides).



#### 31-day Window for Changes

For events such as **BIRTH** or **MARRIAGE** or when a spouse **GAINS** or **LOSES** benefits with their job, any change to your State benefits must be completed **within 31 days** of the event. Day One is the date of the event itself. If you miss this 31-day window, you'll have to wait until the next Open Enrollment to make your change.



## FSAs—What are "Eligible Expenses"?

FSA Forum

If you currently are enrolled in an FSA, you probably already know that you have until June 30, 2009, to incur reimbursable expenses this plan year. You may want to review the following information to see if you have or will have any of these expenses to claim. If you're not enrolled in an FSA, take a few minutes and review this list of reimbursable expenses to help you decide if next year (FY10—July 1, 2009–June 30, 2010) will be the year you enroll.

Flexible Spending Accounts (FSAs) are vehicles that can save you money on your taxes. There are two types of FSAs: Healthcare FSAs and Dependent Day Care FSAs.

## Common eligible Healthcare FSA expenses for you, your spouse and any other tax dependents (even if these individuals are not on the State's health insurance plan):

- Acupuncture
- · Dental care
- · Eyeglasses and Contact lenses
- · Laser eye surgery
- · Chiropractic care
- · Hearing aids
- · Lab fees
- Orthodontia
- · Physical therapy
- · Prescription drugs
- Over-the-counter (OTC) medications, when the product is used for a medical purpose—Review guidelines for OTC medicines and FSAs at www.asiflex.com/ASIOTC.pdf.
- Eligible charges not paid by your medical/dental plan are reimbursable through an FSA, including: deductibles, coinsurance and copayment amounts.

### **Eligible Expenses for Dependent Day Care FSAs**

- Paying someone to care for a child under the age of 13 or for a family member that cannot care for him/herself (e.g., a disabled or elderly adult tax dependent), is a reimbursable expense.
- Only those day care expenses that enable you and your spouse (if married) to work, look for work, or be a full-time student, are reimburseable.
- These are typically expenses that qualify for the Child Care Credit under Section 21(b)(2) of the Internal Revenue Code.
- Medical expenses cannot be reimbursed through a Dependent Day Care FSA, even if those medical expenses are incurred by a dependent.

Visit the FSA Web site on the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits, click on "Flexible Spending Accounts"—for more information on eligible expenses. See "Qualified Medical and Dental Expenses, IRS Publication 502," "FSA Facts," "FSA FAQs" and the link to the State's FSA administrator, ASI, for more information.





## **Working Together:**

## Helping Coworkers Needing Financial Assistance

As the economic situation of the state, the country and the world worsens, the number people in crisis grows, including state employees. Now more than ever, state employees need financial assistance through the Working Together foundation. Working Together is a non-profit foundation established in 1992 by a group of state employees who wanted to help fellow state employees with emergency financial grants in times of crisis.

The economic environment has greatly reduced donations while increasing the need from hardship-stricken employees. In the past year, Working Together donations have dropped by 28 percent. Last year alone, more than \$21,000 in requests from state employees in financial crisis could not be filled. By giving a small amount each month, employees can help fellow employees who are going through crisis such as unexpected injuries, uninsured medical emergencies, natural disasters, the impact of crime, or dire domestic situations.

#### Help Small or Large, but Help

Donating to Working Together is easy and tax-deductible. The **Colorado Combined Campaign** (agency #1300) accepts donations to Working Together through payroll deduction or credit cards. Employees may **sign up** for the Colorado Combined Campaign any time during the year. Credit Union of Colorado members can set up convenient electronic fund transfers. Complete the **authorization form** and return it to the Credit Union of Colorado. Direct donations may be made via checks payable to Working Together and sent to 1373 Grant St., 2<sup>nd</sup> Floor, Denver, Colorado, 80203.

For more information about the Working Together Foundation, making donations, or volunteer opportunities, call 303-831-8645 (voice message) or go to www.state.co.us/dhr/wt.

Please note that Working Together has no office or staff, so contact with the foundation itself is limited to voice messaging.

### **Updates & Reminders**

- Open Enrollment is closer than you think. While the exact dates are not set, it is known that Open Enrollment for the FY10 Plan Year will be from mid-April to mid-May. It's never too early to start thinking about your coverage needs for next year.
- Do you know who your agency (department or institution) human resources personnel are? You can find a complete list of HR personnel, including benefits administrators, and their contact information, on the Employee Benefits Website—www.colorado.gov/dpa/dhr/benefits, click on "Who is my human resources contact?"

